UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
LIMITED

ST/ECA/WP.1/1
OAU/ECA/GSTP/1(I)
30 June 1981

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA
ORGANIZATION OF AFRICAN UNITY

African Group Meeting
Geneva, 22-24 July 1981

LO/NAIROBI

AFRICA AND A GLOBAL SYSTEM OF TRADE PREFERENCES AMONG DEVELOPING COUNTRIES (GSTP)

(Note by the ECA and OAU secretariats)

M81-1950

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INTRODUCTION

1. The first serious attempt in making a more concrete identification of economic co-operation programmes among third-world developing countries occured during the Mexico Conference on Economic Co-operation among Developing Countries (ECDC) in September 1976. Thereafter, several programmes have been discussed at various international fora with the participation in many cases, of the developed countries. Specific results of such discussions include the establishment within UNCTAD i.e. of a Committee on ECDC; the setting up of a specific section in ECA responsible for monitoring ECDC issues in the fields of trade and finance; restructuring and strengthening the economic department of OAU; and the adoption of definite work programmes on ECDC by UNCTAD and other United Nations agencies.

2. Consequently, a considerable amount of work has gone into the formulation of clear positions on the various programmes not only by UNCTAD, but also by OAU and ECA. Secondly, several inter-governmental discussions have been organized for developing countries' representatives and experts with the objective of further defining the concepts and providing guidelines for more detailed work in this field.

3. The latest but not least in the series of important regional pronouncements in this field was made by the OAU Heads of State and Government during the second extraordinary session of their Assembly in Lagos in April 1980. They not only took as a point of departure i.e. the various factors hampering the development of the African continent, but also recalled the Monrovia Declaration of Commitment on Guidelines and Measures for national and collective self-reliance in the Social and Economic Development for the Establishment of a New International Economic Order. Thus the Lagos Summit called for systematic exploitation and exploration of trade and economic co-operation potentials with other developing regions and countries. The Summit noted the adoption of the proposal for a generalized system of trade preferences among developing countries by the interregional meeting on ECDC held in Geneva in March/April 1980. The creation by the inter-regional meetings of a Committee on the Generalized System of Trade Preferences implies that Africa should be adequately prepared for the negotiations. The secretariats of the Organization of African Unity and the Economic Commission

for Africa were therefore called upon to provide the necessary logistic support for African participation in the negotiations on the GSTP among developing countries 1/.

Similarly, the Ministerial Follow-up Committee on International Trade and Finance for African Development 2/ restated that the two secretariats (OAU and ECA) should convene a preparatory meeting of the African delegations prior to the second session of the meeting of Government Experts of Developing Countries on ECDC ... to prepare the African position in the negotiations on the establishment of a Global System of Trade Preferences among developing countries and to ensure effective participation of the African delegations in that meeting 3/.

1/ Lagos Plan of Action for the Economic Development of Africa 1980 - 2000, chapter VII, para. 251 (a) (A/S-11/14, annex I).

2/ The Ministerial Follow-up Committee on International Trade and Finance for African Development was created as a forum intended to :

(a) Monitor the implementation of the African Strategy in the field of international trade and finance as part of the overall development strategy for Africa;

(b) Co-ordinate, harmonize and prepare the African position on issues relating to international trade and finance for development;

(c) Review from time to time progress made in the implementation of multilateral agreements between African countries and the outside world in the field of international trade and finance.

3/ ECA/OAU, "Recommendation 2 : Africa and economic co-operation among developing countries" Report of the first meeting of the Ministerial Follow-up Committee on International Trade and Finance for African Development, E/CN.14/MFI/140 - EDECO/TD/1, 9 to 11 March 1981, Addis-Ababa.

4. A global system of trade preferences (GSTP) among developing countries is the first among the three priority areas in the work programme on ECDC. The first meeting of Intergovernmental Group of Experts of Developing Countries was convened in Geneva from 3 to 17 November 1980 to discuss all aspects relating to the establishment of GSTP. Most of the discussions during the meeting were exploratory in character and therefore no definitive decisions can be said to have emerged.

5. It is, however, noteworthy that some of those meetings adopted tentative programmes detailing work and further studies. In particular, the first IGG meeting held in Geneva in November 1980, adopted a programme for further studies as a necessary input into the deliberations expected to take place during the second session of IGG to be held in July/August 1981. Thus, the first session of IGG represented the actual attempt to translate into concrete action the various declarations of principles and commitment to GSTP.

6. Developing Africa does not propose to run against the current thinking of the Group of 77. Nevertheless, it must be restated that GSTP should not lose sight of Africa's interests. After all, 22 of the 30 least developed countries are to be found in Africa. Equally important also is the fact that it is the developing African countries which are relatively less industrialized than all the developing regions of the Third World.

7. It is partly against the above background that this paper analyses the issues under five separate sections. The first section analyses the general nature of preferences, their implications and justification. Section two is a summary of the most salient features of the UNCTAD proposals on GSTP contained in document TD/B/C.7/42 accompanied by a very short observation from the OAU/ECA African point of view. Section three gives a brief overview of some of the main elements of the tariff approach. Section four looks into whether a GSTP will be able to contribute to the economic development of the African economies within the context of the Lagos Plan of Action and the Final Act of Lagos. Section five concludes with a suggested approach to a GSTP and takes account of the limited experience of preference shemes among developing countries and the likely impact on some of the region's own on-going integration experiments.

I. THE NATURE OF PREFERENCES

8. The nature of preferential arrangements with which developing Africa may be associated within the context of GSTP has partly been analysed in the various documents listed in the annex to this paper. In general, they involve an arrangement under which participating countries agree to reduce or grant each other tariff concessions in order to increase trade among themselves. Such reductions could also apply to non-tariff barriers to trade. Two alternatives to this approach can be considered. One approach is that of a uniform rate of tariff reductions applicable to all products or a list of some products. Alternatively, a system under which each participant indicates the products or product groups on which it wishes to reduce tariffs as well as the rate of such reductions.

9. Under the second alternative, each country would naturally have to take account of the nature of its economy, and in particular i.e. certain major external factor inputs. In other words, it would need to justify its participation on the basis of such factors as the possibility of trade creation, trade diversion or loss of revenue etc.

10. It is a prerequisite of all preferential arrangements that the participating countries should at least have items which are likely to benefit from such preferential tariff cuts or privileges in the system. It is also a cementing factor that participating countries should enter both the negotiations and the subsequent implementation with a sound internal domestic economic structure. Needless to say, that thorough country-level preparations should be undertaken before adopting regional position on the issue.

II. A. Summary analysis of the UNCTAD proposal

11. Document TD/B/C.7/42 was in fact the only document before the first session of the Intergovernmental Group of Experts of Developing Countries on a GSTP. Thus, it represented the first attempt by the UNCTAD secretariat at proposing concrete actions, measures, modalities and steps to implement the agreed principle i.e. establishing a global system of trade preferences among developing countries (GSTP).

Consequently, in the document attention is concentrated on developing a few major components. It also laid stress on some main features of a first stage of negotiations for GSTP, including such elements as indicative targets, tariff preferences, non-tariff barriers, direct trade measures, sectoral approach, rules of origin, safeguards, the issue of the framework and institutional mechanisms and timeframe. This paper therefore proposes to analyse each one of these elements.

(i) Indicative targets

12. The ministerial and intergovernmental meetings recommended that developing countries should set themselves, at the national level, indicative targets for increasing mutual trade through a variety of measures. Thus, the UNCTAD document suggests that countries with a relatively low percentage of imports from other developing countries should aim at a faster than average growth of such imports, while those with higher than average shares should aim at maintaining or increasing further the level already attained. It should be noted that this latter category of countries includes those that have relatively higher levels of development and fairly well established production and commercial infrastructures compared to those of other developing countries.

(ii) Tariff preferences

13. The Ministers recommended that a GSTP should aim at a progressively intensified relationship between traditional tariff concessions and non-tariff concessions and measures in other areas of economic co-operation.

14. As a way of achieving these negotiating objectives, document TD/B/C.7/42 discusses various negotiating modalities. For example, the linear and item-by-item approaches or a combination of both, etc. with the objective of establishing an effective margin of tariff preferences. The main emphasis however, is on multilaterally negotiated tariff reductions among developing countries. The document shows a clear preference for the linear approach on grounds of simplicity and uniformity of commitment by all developing countries, while the other approach would be reserved for certain exceptional circumstances, since it is argued it would be cumbersome and time-consuming.

(iii) Least developed countries

15. Document TD/B/C.7/42 provides useful suggestions on how the general commitments of the ministerial meeting could be translated into specific measures in favour of the least developed countries. This is in addition to restating the commitment of the ministerial and interregional meetings regarding special non-reciprocal trade preferences for least developed countries, within a general framework of multilateral tariff reductions among developing countries.

(iv) Non-tariff barriers

16. The ministerial and interregional decisions and commitments on GSTP cover relaxation of both tariff and non-tariff barriers to intra-developing country trade. Document TD/B/C.7/42 alludes to the immense difficulties on non-tariff barriers negotiations by comparing them with tariff negotiations. While in the latter, tariff concessions which constitute the negotiating targets are easily defined and negotiable, non-tariff barrier negotiations are complicated by the limitless variety and scope of the barriers which make negotiating objectives nothing other than a mere statement of principle.

(v) Long-term contracts and other direct trade measures

17. Paragraph 79 of document TD/B/C.7/42 asserts that while tariff preferences provide facilities to exporters their use depends on many other factors; measures in the above areas are directly geared to establishing specific contracts or contract conditions and can therefore exert a direct effect on trade flows. These measures and mechanisms are also among some of the components identified by the Arusha ministerial meeting for incorporation in GSTP.

(vi) Sectoral approach

18. Document TD/B/C.7/42 has a tariff-based approach. In other words, a reduction of tariff and non-tariff barriers on a sectoral basis (e.g. meat and meat products; foodstuffs and vegetable oils).

(vii) Rules of origin and safeguards

19. It is proposed that the rules of origin should be development oriented and based on the principle of cumulative treatment and should ensure that preferences benefit national production and the development process, in particular in the least developed countries. The document also contains suggestions on specific criteria for determining origin, as well as on the application of safeguards in case of serious damages to certain industries. The underlying principle is mutuality of advantages.

(viii) Framework agreement

20. Document TD/B/C.7/42 emphasizes the need for concessions, within a framework agreement, to be legally binding and indicates the broad nature of such agreement.

B. Reflection on the African Standpoint

21. The analysis of the UNCTAD proposals contained in document TD/B/C.7/42 from the African point of view should take the main recommendations of the ministerial and the intergovernmental meetings as a point of departure.

(i) Indicative targets

22. Attention has been drawn to some of those measures embodied in GSTP and those brought about by subregional and regional grouping to the effect that the choice of measures and the setting of indicative targets became first and foremost, the responsibility of each country within its general trade policy measures. The extent to which such targets have been met would be an ex post facto exercise. However, the suggestions on how they could be met would have implications for policy measures, aside from the fact that there is a tendency to overlook the existing disparity in the levels of development of developing countries.

23. It is therefore important that indicative targets should be national in character and more a function of the level of development than in an inverse relationship to the percentage share in import volume from developing countries.

(ii) Tariff preferences

24. The UNCTAD document seems to interpret the issue of tariff preferences and the ministers recommendation on GSTP as a progressive reduction in tariff and non-tariff barriers and the establishment of an effective margin of preferences among developing countries, on the basis of global multilateral negotiations among developing countries.

25. It must however be stated that the need for certain factors must be recognized for the development of interregional trade among developing countries within the context of GSTP. For instance, emphasis must be placed on the need for pregressively building linkages between tariff preferences and economic co-operation measures in such areas as production, marketing, payments, finance and transport.

26. It is also important to pay particular attention to aspects of the extension of concessions, the duration of concessions, provision for the maintenance of their value and procedures for their negotiations within the context of most of the elements referred to above.

(iii) Non-tariff barriers

27. The negotiating techniques suggested in document TD/B/C.7/42 for non-tariff barriers are certainly more complicated than those for tariff concessions and would involve an expanded bureaucratic machinery in all countries where such non-tariff restrictions operate, aside from the protracted and cumbersome negotiations that would be inevitable. Thus, a much more elaborate array of information and data on all aspects of trade regimes and regulations covering foreign exchange, licensing procedures, quotas, prohibitions, bilateral agreements, etc., will need to be provided.

(iv) Long term contracts and other direct measures

28. Certain other points need to be emphasized in terms of the economic advantages to be derived from the full utilization of direct trade measures and long-term contracts, such as those identified in the UNCTAD document, irrespective of the economic system pursued by the participating developing countries.

A majority of developing countries have established central marketing organizations or state trading organizations. It is therefore important to work out an approach of measures and actions geared to strengthening such organizations and building new ones and thereafter, bringing them together in a multilateral forum to "talk business". The underlying question is whether this approach would be negotiable within a GSTP multilateral framework, and if it were, what aspects should be negotiated first. The nature of the contracts, pricing and payment arrangements, compensatory or buy-back arrangements, are but a few of the aspects which come to mind.

29. However, this whole issue would need to be considered against the current dominance of transnational corporations whose activities already cover a much wider area of both the import and the export sectors in most developing countries[4/].

(v) Sectoral approach

30. To date, a considerable number of such formulas have been proposed and discussed at great length, but there has been no reliable indication as to which among them stands a better chance of success. Thus, the UNCTAD document has not really broken any new ground in this area and is at best complementary rather than primary. Hence, the search for appropriate techniques must continue alongside the more general approaches of trade liberalization.

(vi) Rules of origin and periodic reviews

31. Some of the elements analysed in chapter IV.F of document TD/B.C.7/33 should be seen as an integral part of the contents of document TD/5/C.7/33, parts I and II, and those in TD/B/C.7/42 when determining the general nature of the rules of origin. These should therefore be closely linked to the negotiating approaches themselves. However, the rules of origin cannot be predetermined outside the main GSTP framework.

4/ ECA, Transnational Corporations in Africa: Some Major Issues (E/CN.14/703). This paper was presented to the fourteenth session of the Conference of Ministers held in Rabat in 1979, and attempted to identify most the major activities of transnationals in Africa as a basis for further investigation of their possible impacts on the social and economic development of the region.

(vii) Framework agreement

32. This could be the most difficult area given the polarity in group interests. An element that has not been fully analysed so far (TD/B/C.7/33 and TD/B/C.7/42) relates to the coverage of products which after all in a function of production or industrialization at the national level. It is therefore important, as stated in paragraph 26 above, to pay particular attention to aspects of the extension of concessions and the exceptions thereto, the duration of concessions, provisions for the maintenance of their value and procedures for their negotiation within the context of most of the elements referred to above.

33. Three additional elements also come to mind. First, institutional changes are likely to arise from the agreed procedures. In other words, there should be provision for some flexibility. For instance, the example of tariff bindings have seemed to be generally effective, yet frequent departures from other rules have tended not only to weaken but also to damage permanently certain parts of the system as a whole, thereby diminishing its dependability, forcing participating countries (or contracting parties) to seek remedies which are inconsistent with or outside agreed systems such as GATT. Secondly, there is need to guard against a possible proliferation of fora and/or ad hoc committees set up to deal with whatever new problems arise. Third is the need to focus attention on possible sanctions which could be applied for non-compliance.

34. The question of proliferation of fora could be a major constraint for a majority of developing African countries. After all, most of these countries are faced with serious financial as well as human problems in terms of technical capability, unlike most of their counterparts in the Asian and Latin American regions. The question of sanctions for non-compliance should be closely linked with the establishment of arbitration tribunals. It is therefore recommended that Article XXII of GATT should be reviewed to see how it could be better adapted to GSTP.

III. OVERVIEW OF SOME OF THE MAIN ELEMENTS

35. There is no need to belabour the main objective of a GSTP in view of the many studies and meetings which have preceded this analysis, except perhaps to stress the underlying objective of a GSTP, namely to be an effective framework or an instrument for increasing trade and economic co-operation among developing

countries. The immediate concern relates to the nature of the GSTP to be developed. bearing in mind the need for it to mutual benefits for all participating developing countries.

36. The question of the abolition of tariff and non-tariff barriers requires careful consideration. For instance, there is a need to establish whether trade links already exist or not between and among developing countries, and African countries in particular. Similarly, there is need to assess some of the resulting implications from such reductions or abolition, weighed against any possible increase in trade flows. Some of these questions must be viewed against the root causes of the current low volume of trade among developing countries. After all, the existence of excessively high tariff walls is not the sole reason for the low level of trade between Africa and the other developing countries. Thus, it would be erroneous to believe that the removal or reduction of tariff and non-tariff barriers would automatically lead to trade expansion.

37. There are other elements which are necessary in order for the envisaged GSTP to work, apart from the removal or reduction of tariff walls. One of these is the need to develop a good information system as spelt out in document ITC/DTC/312 (Market information and commercial links as vital elements in the development of trade). Most African countries do not collect or disseminate up to date market information to facilitate intra-African trade. While there is a wealth of information available in many African countries for trading with countries outside the region, traders in Africa are very often unaware of prices, commercial regulations, supply and demand situations and other commercial information in respect of goods of African origin. Facilities for establishing contacts between potential exporters and importers for trading within the African region are generally of a sporadic nature[5/].

38. The implications of a purely tariff approach for trade patterns are important. Most trade patterns have developed as a result of historical forces, government decisions, the structure of economic control and foreign policy strategies.

5/ See ITC/DTC/312, p.2.

There is a variety of tariff rates applied by developing countries and a careful consideration of any envisaged changes are required before taking a final decision. It could well be that uniform tariff cuts for instance may result in infusing a divisive element among the participating countries instead of bringing them together. A linear approach to tariff rates may also be inappropriate, especially when tariff rates vary across products and countries from less than 10 per cent to over 300 per cent. Lessons in this field could possibly be drawn from the experience of LAFTA, ASEAN and ECOWAS where implementing the linear preferential cuts proved rather difficult.

39. A major specific problem with the tariff-based GSTP is the immediate quantifiable negative effect on revenue which it creates, with varying impact on developing countries depending on their tariff rates. The trade creation aspect is no doubt important, but it could be a mere statistical gimmick, highly uncertain in comparison with the revenue loss that calls for certain corresponding immediate adjustment measures taken in order to alleviate any possible severe economic, social and political problems for a number of African countries.

40. However, there are other technical and logistical problems involved in tariff and non-tariff negotiations as earlier pointed out. The preparatory work for the Tokyo Round is as good an example as any in terms of the long period it took not only to start but also to complete the negotiations themselves. They started as far back as 1967 while the ministerial decision to start the multilateral trade negotiations was taken in Tokyo in 1973 with the actual negotiations starting in 1975. It would seem that as far as the operatory work is concerned a much longer time should be envisaged for the developing countries. A discussion on approaches and modalities as well as a framework for GSTP, negotiations should be preceded by the collection, analysis and dissemination of complete information for all developing countries, on their tariff profiles, trade regimes, regulations in force for product groups and countries and including foreign exchange regulations. The GATT secretariat, at the request of some 60 developing countries, including 20 African Governments, has already prepared a number of country studies on these aspects including matrices of trade flows. It would be important therefore to make use of some of these studies as a starting point.

41. It is very important also to weigh the anticipated trade creating benefits of a tariff-based GSTP against certain political, economic and technical considerations indicated above, for it could very well happen that at the end of the day, after so much effort had been put into it, very few developing countries would be prepared (as was the case with MTN) to sign the GSTP agreement on tariff reductions. Credibility must be matched with realism.

IV. RELATIONSHIP BETWEEN GSTP AND AFRICAN ECONOMIC DEVELOPMENT

42. There is ample evidence of the long term mutuality of interests which could be derived from establishing GSTP. Experience and the nature of foreign trade policies pursued by developing countries in promoting trade point to the need to gradually develop a global system of trade preferences, as an integral strategy of ECDC. Needless to say, African exports to industrial countries have been declining both in volume and value, while imports from those countries have been rising resulting in persistent balance-of-payments deficits and adverse terms of trade. The decline in foreign exchange earnings and the increasing demand on these meagre earnings (as a result of net factor payments and large oil and food import bills) create a situation of serious economic imbalances requiring adequate policies aimed at restructuring African economies.

43. However, the acceptance and implementation of GSTP by participants would mean, in some cases, adjustments not only to national but also to subregional and regional practices and policies. The case for most developing African countries is likely to be much harder because most of their respective national administrations have had little experience in international negotiations. Thus, developing African countries should relate the establishment of a GSTP to their goals of economic growth and development in terms of both their respective national development plans and of the Lagos Plan of Action as well as the Final Act of Lagos.

44. Adoption of the above in April 1980 by the OAU Heads of State and Government merely reiterated, inter alia the pivotal role of trade as an engine of economic growth and development. This step demonstrated vision and statesmanship. Furthermore, it reinforced the necessity for increased self-reliance and self-sustainment and for more effective measures for intra-African co-operation as well as mutual help[6/].

6/ ECA, Biennial Report of the Executive Secretary (1979-1980) E/CN.14/798, p.6.

45. Naturally, it is important to know, given the above information, whether GSTP would contribute to African economic development (and/or the achievement of the objectives of the Lagos Plan of Action), and if so, what type of a GSTP should evolve. The second relevant question is what type of a GSTP would promote intra-African co-operation, in particular the establishment of an African Common Market and an African Economic Community by the year 2000.

46. Basically, a GSTP should be an instrument for promoting trade among developing countries. The composition of both exports and imports in the African situation is very important because it reflects the nature of the economy. In the African context in terms of a greater utilization of domestic factor inputs for the production of goods and services must provide an avenue for trade in the surplus product for essential external factor inputs. In other words, the nature and magnitude of the required external factor inputs will be in direct response to the restructured economy, with a corresponding change in the composition of exports. The type of GSTP that will maximize these inter-relationships is that which will best meet African concerns. This is the kind of GSTP that developing African countries would like to see emerge and not the type that seeks to maintain the status quo which so far is not development oriented.

47. The Final Act of Lagos calls for the creation and strengthening of sub-regional economic integration groupings in Africa and their gradual linking up into an African Common Market and Economic Community by the year 2000. The primary objective is the achievement of national and collective self-reliance and self-sustained development, by creating a diversified economic base and viable productive capacities within a restructured economy. Meanwhile, sight should not be lost of some of the on-going discussions within the region and at the subregional levels aimed at expanding markets bordering on tariff and non-tariff preferences.

48. Thus, a GSTP should be devised in such a way as to promote these current efforts in the African continent, by avoiding areas and issues that could create conflict.

49. To sum up, given the African background outlined above, GSTP should enable individual countries, after analysing their economic situations, to indicate the crucial external factor inputs (mainly goods) that will contribute to the structural transformation of the economy. The system should in addition allow developing countries to indicate individually the type and level of preferences on a list of

some products that their economies can support without serious social and political problems, or jeopardizing the efforts to create and strengthening subregional and regional economic integration groupings.

50. For the least developed countries, it is clear that this approach would be particularly advantageous in comparison with a linear or uniform approach, the effects of which would neither be uniform nor by themselves necessarily result in increased trade flows.

V. SUGGESTED APPROACH TO A GSTP

51. The suggested approach is a result in part, of some of the observations given in paragraphs 21 to 34. However, each element is reviewed against an African standpoint taking as its point of departure most of the principles and guidelines adopted by the Arusha Ministerial meeting of the Group of 77 [7]. That meeting has become another important landmark in the field of ECDC because it at least refined the general parameters of GSTP negotiations. For example, paragraph A.5 (iv) called for secretariat studies to be analysed and to be followed by regional evaluation through organized meetings of government experts of the Group of 77.

52. Needless to say, there was no precise mandate or commitment in the Arusha Programme for embarking on a multilateral round of negotiations to reduce or abolish tariff and non-tariff barriers among developing countries. However, no matter what approach is finally adopted, it must be recognized that multilateral tariff and non-tariff negotiations as proposed by the UNCTAD secretariat will take a very long time.

53. It is for this reason, among others, that the system envisaged ought to be developed on a step-by-step basis, in contrast with the approach proposed by the UNCTAD secretariat where gradualism is in fact set aside by suddenly plunging directly into a round of multilateral negotiations on tariff and non-tariff cuts [8].

7/ See UNCTAD doc. TD/B/C.7/42 para. 122.

54. The main emphasis in discussing a GSTP so far has centred on increasing trade and economic co-operation among developing countries. A certain amount of trade among developing countries already exists; some of it has in fact been increasing. It therefore follows that the immediate concern should be on finding ways and means, through GSTP, to increase trade above existing levels, by focusing attention on certain key prerequisites for trade expansion. These could include among others, undertaking country studies of tariff profiles and actual trade flows among the GSTP countries, an improvement in the flow of information, supporting services and infrastructural requirements which form the pillars of an effective GSTP, without which tariff preferences would have no direct impact in terms of increasing trade flows.

55. Investment in productive capacity is very important and is relevant to the strengthening of subregional economic integration groupings in order to generate products which would benefit from liberalization, the identification, promotion and establishment of joint industrial ventures for increasing production and employment. These are all important considerations in order to support any trade expansion scheme. After all, trade is not based only on the availability of products, but also on quantity, quality and terms of availability.

56. From the above, one would have wished the Group of 77 to be presented with various policy options, each having been analysed in full in order to expose their respective implications, against the underlying objectives to be achieved. The approach suggested in this paper should be seen as a policy option which in part derives from the experience of negotiating the generalized system of preferences (GSTP). Essentially, it would consist of the following broad elements:

(a) Country-wide studies on their trade flows and tariff profiles. Thus, some of the existing studies like the ones prepared by GATT could form a basis for up-dating most country profile studies in this field.

(b) A decision by the developing countries to grant trade preferences among themselves as from an agreed date. The decision would be ministerial and would be embodied in a protocol, convention, agreement for any other appropriate instrument.

(c) The instrument would have certain essential features based on the agreed principles and guidelines in the Arusha Programme, such as periodic reviews, special measures in favour of the least developed countries, etc.

(d) Developing countries would individually report and inform all other developing countries of the preferences they had given. The initiative to grant preferences would be taken by individual participating developing countries on the basis of their respective economic situations. It would be necessary to agree on the procedures for action in respect of certain excluded products or trade restricting measures in force in particular countries concerned.

(e) The signatories of the instrument would agree to a list of the kinds of preferences to be covered by GSTP. This would be annexed to the instrument and reviewed periodically.

57. In establishing GSTP among developing countries, the system would operate for an agreed initial time-span. Its operation would then be reviewed and the necessity for extension would be considered nearer to the expiration of the initial period. Such review, extension or renegotiation could embody certain new elements that might have become necessary as a result of experience gained in operating the system.

58. Other essential components of the system could consist of the direct trade measures considered earlier in the paper (bilateral and multilateral contracts, payment arrangements and the activities of STOs discussed in paragraphs 28 and 29) which would enhance closer concrete trade co-operation once GSTP has been agreed upon.

59. A major advantage of the proposed approach is its built-in recognition of the differences among developing countries, whether in terms of their levels of development or the varying tariff rates. It should also take account of the efforts and activities at the subregional and regional levels to establish economic integration groups, and would in addition be directly linked with the building and expansion of viable productive capacities at the national and subregional levels.

ANNEX

CHECK LIST OF SOME RELEVANT DOCUMENTATION

1. OAU, What kind of Africa by the year 2000? Monrovia symposium on the future development prospects of Africa towards the year 2000.

2. OAU, Lagos Plan of Action for the Economic Development of Africa 1980-2000.

3. TD/236, Arusha Programme for Collective self-reliance and Framework for negotiations.

4. OAU/ECA, UNCTAD studies on a global system of trade preferences among developing countries (GSTP), state trading organizations and multinational marketing enterprises, E/CN.14/MP.1/116.

5. OAU/ECA, Report of the African Regional Meeting in preparation for the Inter-regional Meeting of the Group of 77 on ECDC, E/CN.14/MP.1/110.

6. TD/B/C.7/32, A Global System of Trade Preferences among Developing Countries : Trade Preferences of the African Economic Cooperation and Groupings.

7. TD/B/C.7/35 (Part I & II), Global System of Trade Preferences among Developing Countries : Rules of origin within a GSTP, with special reference to provisions assuring that preferential measures benefit national development.

8. TD/B/C.7/35 + Add 1 & 2, A Global System of Trade Preferences among Developing Countries; Statistics of Trade among developing countries by country and product (especially III & IV).

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UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
LIMITED

ST/ECA/WP.1/2
13 July 1981

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

LO/NAIROBI

PROSPECTS OF TRADE EXPANSION

BETWEEN

AFRICA AND LATIN AMERICA

M81-2064

INTRODUCTION

1. The idea of enhancing interregional co-operation between developing countries of Africa and Latin America is a basic and recurring historical them; first, because of the growing interest in the countries in question in solving some of their common economic problems;secondly because of their realization of the great inherent potential and mutual benefits likely to be derived from greater economic co-operation; and thirdly, because such co-operation opens up possibilities for these countries to lessen their over-all economic dependence on the developed industrialized countries and therefore to look more towards assistance from each other.

2. Efforts aimed at expanding trade between these two regions constitute supplementary means for enhancing mutual economic development because trade offers several mutual benefits to the parties concerned and is inherently capable of breaking autarky. In other words, the consumption of each country or region is likely to be considerably expanded, rather than continue to be restricted to its own range of available products. Furthermore, trade also offers opportunities for increased specialization and division of labour conducive to efficient resource allocation.

3. The Arusha Programme for Collective Self-Reliance and Framework for Negotiations underlines the importance of co-operation among developing countries as a cornerstone of self-reliance. This new strategy reflects, moreover, the importance of initiatives taken by Governments members of the Group of 77 to accelerate the development and transformation of their economies through the process of collective self-reliance based on the intensification of joint efforts, mobilizing their respective resources and markets and building a structure of genuine economic interdependence.

4. On the basis of data in table 1, trade relations between the African and Latin American countries can be set against certain recent world trends. It will be observed from the table that world export trade rose from SUS312,260 million in 1970 to $US1,631,250 million in 1979. Exports of the developed market economies rose

from $US224,180 million in 1970 to $US1,079,041 million in 1979 despite their relative decline as a percentage of world export trade i.e. from 71.3 to 66.1 per cent during the same period. Exports of the developing market economies on the other hand, to the world increased from $US55,170 million in 1970 to $US403,521 million in 1979, representing a share in the world total of 17.7 per cent and 24.7 per cent respectively. A greater proportion of the developing market economies, trade was with the developed market economies to which they exported about 73.5 per cent in 1970 and about 71.1 per cent in 1979. Exports of developing countries' destined for the markets of other developing countries represented about 19.3 per cent of the total in 1970 and about 24.6 per cent in 1979.

5. Similarly, the trade structure of the third world countries continued to show similar trends to those of the past. In other words, they depended on the developed industrial countries for capital and manufactured goods while continuing to be essentially exporters of primary commodities. Thus, any envisaged new strategies in this field are likely to be rather limited if there are no fundamental structural changes. For instance, the dismal failure of the North-South dialogue has dashed whatever hopes there might have been for increased imports of manufactured goods into the developed countries from the developing regions. Similarly, the inward looking and,at times, inflexible attitudes of the developed industrialized countries of Eastern Europe to developing countries' imports do not promise brighter propsects either.

6. ECA resolutions 302(XIII) of 28 February 1977 and 355(XIV) of 27 March 1979, and ECLA resolutions 363(XVII) of 5 May 1977 and 387(XVIII) of 26 April 1979 all stress the importance of promoting economic co-operation among developing countries. Similarly, other resolutions adopted at international fora also seek to strengthen co-operation among developing regions. These recommendations include Recommendation 22 of the Buenos Aires Plan of Action adopted in 1978 by the United Nations Conference on Technical Co-operation among Development Countries (TCDC) which called on the regional commissions to assist Governments of developing countries to initiate a number of specific actions. For instance, joint programmes were to be undertaken by appropriate interregional organizations or at an interregional level by two or more entities belonging to different regions. Consequently, there have

been several consultations between the Executive Secretaries of ECA and ECLA aimed at establishing joint programmes of economic co-operation.

8. The present study falls within the context of the Programme of Action adopted by the Group of 77 during their Mexico City Conference on Economic Co-operation among Developing Countries (ECDC). That meeting stressed, among other things, the need to find ways and means of expanding trade among developing countries as an essential feature of its Programme of Action. Subsequently, the same element was integrated in the Strategy for Collective Self-Reliance adopted at a meeting at Arusha in February 1979 by the Group of 77 in their preparation for the fifth session of UNCTAD. It is worth recalling also that ECA and ECLA have been mandated to carry out most of this work by their respective legislative authorities. Moreover, the ministerial meetings of their member States have also stressed the need for strengthening existing economic and technical co-operation.

9. It is partly against this background that the Economic Commission for Africa and the Economic Commission for Latin America have decided jointly to undertake this study. The study's aim is to examine the level and nature of trade between the two regions and to identify trade involvement by country in terms of both current and prospective commodities traded by origin and destination with a view to determining possibilities for further expansion. An attempt has been made at the same time to review some of the major obstacles to trade expansion and to arrive at proposals for actions which countries could take in both the medium term and the long term in order to facilitate the building of a bridge between the two regions. In other words, an attempt is made to examine certain strategies and mechanisms of trade promotion leading up to projects of an interregional nature which could be implemented under the aegis of the two regional commissions in collaboration with the other agencies of the United Nations system.

II. EXISTING ECONOMIC RELATIONS

1. Present state of economic relations

10. Economic relations between the developing countries of Africa and Latin America, to say the list, are modest, because they are of rather recent origin. The scale as well as the trends of trade among developing regions in the broad context of ECDC by country during the 1970s are partly reflected in the statistical tables attached. There appears to have been a tremendous increase in total exports in either direction on the basis of data given in table 1. Total developing African exports to Latin America rose by nearly 37.6 per cent between 1970 and 1979.

11. Developing Latin America as a region includes the South American subcontinent, the countries of Central America and the Caribbean countries of Cuba, Haiti and the Dominican Republic. Data in table 1 refer to developing Africa's total exports to the total developing Latin American region. However, the observed share of African exports to the Latin American subcontinent amounted to $US37 million out of $US235 million in 1970, about $US207 million out of $US780 million in 1973, about $US534 million out of $US2,227 million in 1975, about $US621 million out of $US3,563 million in 1977 and about $US587 million out of $US3,099 million in 1978. Tables 2 and 6 show further that exports of manufactures or non-primary commodities by the African region, both individually and regionally, to Latin America are almost non-existant. In other words, Africa's main exports consist of primary commodities, the bulk of which is petroleum destined to the refineries in the Caribbean.

12. On the other hand, Latin American countries' exports to developing Africa during the period under review, table 3 showed a fairly large proportion of non-primary commodities. Nevertheless, primary commodity exports of food, beverages and tobacco (SITC 0 + 1) rose from $US56 million in 1970 to $US406 million in 1978 and mineral fuels and related materials (SITC 3) increased from US26 million to $US494 million. Machinery and transport equipment (SITC 7) increased from $US4 million to $US297 million. By 1978, many Latin American countries had made considerable inroads into the African market with their exports of manufactures. The share of

manufactured items exported by Latin America had increased to about a third of total Latin American exports to Africa. Consequently, the Latin American region was slowly beginning to replace the traditional Western suppliers of the African region.

13. On the basis of data in table 1, it would appear as if developing Africa which carried a bigger favourable trade balance than Latin America in the period under review. On the contrary, as shown by data in tables 2, 3, 6 and 7, it was the countries of developing Latin America which were the major beneficiaries of trade during this period. The bulk of developing Africa's exports to Latin America as shown by data in tables 2 and 6 consisted of primary commodities. Mineral fuels and related materials (SITC 3) accounted for 49.4 per cent, 51.9 per cent and 50.1 per cent of total African exports to Latin America in 1974, 1977 and 1978 respectively. Most of the oil exported by the developing African countries went to the big refineries in the Virgin Islands, the Bahamas, the Netherlands Antilles and Brazil.

14. On aggregate, therefore, the main commodities traded between the two regions are oil, manufactures and food. The preponderance of these commodity groups is also seen in the concentration of trade between a few trading partners.

15. Notwithstanding several economic similaries between the countries of the two regions, there are distinct differences. For one thing, developing Africa is a congromeration of newly independent and economically underdeveloped countries in relation to the Latin American region. In 1970, 45 African countries had a total population of approximately 315 million. The per capita gross domestic product (GDP) for 31 non-oil-producing countries of Africa in that year showed a great variation. Out of the 31 countries, four had a per capita of less than $US100, 11 had between $US101 and 200, another 11 fell between $US201 300 with five other countries ranging between $US30 and 400. In marked contrast the per capita GDP of the four oil-producing African countries ranged from $US401 to over $US1,919 for the Libyan Arab Jamahirya.

2. Probable obstacles to trade expansion

16. Interregional trade between developing Africa and Latin America is still relatively low in comparison to that of their trade with their respective traditional trading partners of the industrialized economies. The former is also highly concentrated both in terms of traded commodities and the level of country involvement in either direction. Some of the obstacles which militate against accelerating interregional trade include the lack of trade facilitating infrastructure, the historical entrenchment of traditional trading relations and the lack of information relating to existing and potential trade opportunities in each region.

17. Factors which have hindered, and may continue to hinder, interregional trade are many and complex. A number of those, which lie in the way of expanding or promoting trade exchanges are either nationally, subregionally or interregionally created, intentionally or unintentionally. One category of obstacles arises because of operating with old structures. The second group is basically made up of factors relating to certain inward-looking policies such as prestige and rightout selfishness.

18. Not least of these problems are the difficulties of achieving a measurable degree of restructuring. The trade structures of most countries are predominantly traditional so that non-traditional patterns of trade become a major problem. In addition, there are difficulties created by the lack of proper physical infrastructures, especially when distances are vast and communications networks unreliable. Over and above are the difficulties associated with devising appropriate procedures to facilitate trade agreements both bilaterally and multilaterally. These obstacles are also interlinked with the question of foreign exchange and administrative practice as well as control over a wide range of sectors such as joint industrial production, distribution and utilization of technology.

19. It is worth noting that in trade between countries of the developing Africa or the Latin America and their respective traditional partners in the industrialized market economy countries less importance is attached to some of the factors which

loom high in respect of dealings with the non-traditional partners. For instance, one rarely hears about the question of defending the balance of payments in countries with a deficit. Otherwise, consideration would have been given to making certain sacrifices or initiating changes that would bring the import structure in line with demands of economic growth and development of the countries concerned.

20. The importance of the entrenchment of traditional trading relations can be seen from some of the difficulties encountered by each region in trying to penetrate the respective markets. The Latin American countries are a very important export outlet for the North American countries which in the course of time have established, in close collaboration with certain multinational or transnational corporations, direct trade links with built-in mechanisms aimed at resisting the possible entry of other export sources. Similarly, the African region has been an exclusive dumping place for exports of the industrialized market economies so that non-traditional exporters have to contend with obstacles created by long established brand names and the marketing channels.

21. From the point of view of African economic performance in terms of the region's export potential, Africa's current level of economic growth and development is basically a combination of the region's domestic and externally generated factors. It is highly dependent internally on agriculture and mineral extraction and externally on imported industrial products and linkages with the other sectors of the economy are weak. It is therefore not at all surprising when these factors fail to provide a good sound basis for promoting economic development.

22. The agricultural sector in Africa recovered during 1974 from the setback of the drought in 1973. However, the growth rate achieved in 1974 was not sufficient to bring the 1971-1974 average to the 4 per cent target laid down in the International Development Strategy for the Second United Nations Development Decade mainly because of the severe drought which led to increased imports of agricultural seasonal crops such as maize and small grains. The drought was also responsible for severe

reducing livestocks. Conservative estimates have established that it will take several years to restore normally, let alone the previous production patterns, in this sector. On the other hand, the performance of the region's extractive industries continued to be based on supplying manufacturing and processing industries in the developed world. Discoveries of new ore bodies and other new minerals continued on an increased scale throughout the 1970-1979 period, but the region's list of principal export minerals and their respective destinations showed no significant change as a result of these reported discoveries.

23. Between 1970 and 1977 developing Africa's industrial sector failed to meet the target growth rates of 6 per cent and 8 per cent for GDP and manufacturing output set in the International Development Strategy for the Second Development Decade. The region's manufacturing industry continued to be largely consumer-oriented - tending to concentrate on supplying the construction sector or merely processing local materials for purposes of weight reduction before exporting to markets outside the region. This can in part explain some of the difficulties experienced by developing African countries in mobilizing their export potential in the markets of the other developing countries.

24. Some of the main difficulties of the Africa's economic infrastructure relate to the transport and communications network and commercial banking and finance institutions. In addition, certain support services are required to promote and expand trade. However, a considerable number of African countries, especially the land-locked ones, have made considerable efforts to overcome the transport and communications infrastructure constraints. Some inroads have come about at considerable cost and resources have come mostly from the developed market economies. Only marginally have some of the newly industrializing countries in the Latin American region come forward with any contributions in this field, excluding Brazil's and Argentina's contribution to the African Development Fund. Brazil has also entered into certain construction contracts in such African countries as Algeria, Angola and Mauritania for building railways, roads, airports and hotels.

25. On the basis of data available at the Economic Commission for Africa, it has been shown that in debt service burden for developing Africa went up from 30 per cent to 34 per cent of total aid disbursement between 1967 and 1973. Service payments on public debt for all the developing African countries rose from 6.2 per cent to 7.8 per cent of total exported goods and services between 1970 and 1973. It was therefore to be expected that the picture for the years after 1973 could not have been any better in view of the pressures of world-wide inflation.

26. There is also a well-known lack of shipping fleets capable of effectively competing with the liner conferences not to mention the fact that there is little surplus on African exportable commodities for export to Latin American countries.

27. Obstacles encountered by the countries of the Latin American region on the other hand do not on the face of it seem to be as acute as those of the African region, apart from that of the information gap which is common to both regions. The main problems consist of the existence of an underdeveloped transport and communications system. This derives from the liner conferences which effectively discourage developing countries from expanding their shipping industry. The freight rates imposed by the liner conferences system and the cost of an almost unindirectional flow of trade makes this very prohibitive. Another obstacle in this field arises from lack of cargo shipping services in developing countries and the necessity of routing such cargo through Europe and North America. Rarely is cargo channelled directly between the developing countries themselves.

28. Another common obstacle relates to the settlement of payments and the availability of credit arrangements for each individual transaction. First, there is the continued insistence by the countries of both regions that payments should be made in the main world currencies. One possible way out has been the setting up of multilateral clearing arrangements. While these institutions continue to operate within certain restricted narrow confines at the subregional level, there are as yet no interregional or regional links between such institutions in the Latin American and Caribbean regions on one hand (the Central American Clearing House, the LAFTA payments system, the CARICOM Multilateral Clearing Facility) and on the

other and those in Africa (the West African Clearing House and similar arrangements planned for the countries of the Eastern and Southern African subregion, the Central African subregion and the Economic Community of the Great Lakes countries).

29. Along with the above is the sparcity or lack of linkages between credit arrangements in the third-world countries. There are five credit arrangements in the third world that grant financial support for balance of payments to their member countries. No such mechanism has as yet been established in the developing African region. Experience in Latin America where these institutions exist (the Central American Stabilization Fund since 1969, the Andean Reserve Fund since 1976 and the LAFTA Financial Assistance Agreement) confirms their usefulness in facilitating the flow of goods, services and capital at the subregional level. These institutions have also considerably facilitated the adjustment process of the external sector among countries engaged in economic integration programmes. The absence of such a mechanism at the interregional level under the present circumstances and taking into account existing difficulties in itself constitutes an obstacle to promoting and expanding trade between the two regions.

30. Similarly, certain trade policies and tariff barriers imposed by individual countries are very restrictive. Many are imposed for purposes of protecting infant industries or preserving the markets for traditional suppliers within the broad context of respect for the principal objectives of subregional economic integration schemes. The interdependence between contracting parties in a region resulting from trade agreements is usually very pronounced, if regarded from the aspect of the limitations imposed by treaties. They all aim at encouraging and stabilizing intraregional economic development. While each expresses the desire to remove obstructions to trade between the signatories, at the same time it erects barriers against third parties. It is these barriers which have to be overcome in order to realize the potentials of expanding interregional trade. It goes without saying therefore that proposals for trade expansion would need to consider reciprocal lowering of tariffs and the introduction of trade policies favouring trade between developing Africa and Latin America countries.

31. The question of trying to create a reasonable balance of trade flows in either direction between the two regions, given the current levels of economic development, is yet another problem area. It has already been observed from available statistical data that trade is grossly unbalanced between the two regions. In other words, developing Africa is mainly an exporter of crude oil and very little in the way of manufactured goods to Latin America. Thus, there is a need to find ways and means whereby the more developed countries of Latin America can increase their imports of semi-processed and processed or semi-manufactured and manufactured goods from Africa. After all, it would be very unwise to assume that Africa was preordained to remain only an exporter of primary raw materials.

III. FUTURE TRADE PROSPECTS

32. In the light of the foregoing, it is clear which factors have contributed considerably to the present lack of strong trade exchanges between the developing countries of Africa and Latin America. It is therefore necessary to attempt to exploit any inherent advantages which can be derived from greater co-operation among institutions of developing Africa and Latin America, such as State trading organizations and the proposed generalized system of trade preferences among developing countries (GSTP) etc.

33. Some recent deliberations and conclusions at the various conferences and contacts between the two regions within the context of activities of the Group of 77 reflect a new dynamism in the field of trade and finance and a belief in the strength and wisdom of collective self-reliance as the most effective way to economic salvation.

34. The production and trade patterns in the countries of the two regions constitute an important set of impediments to the expansion of interregional trade. Similarities in the set of minimum needs implying erroneously that the two regions have little to sell to each other can no longer be presumed to be a major constraint in view of these countries' dissatisfaction with the traditional economic system and its failure to solve a myriad of economic problems that face the majority of developing countries.

1. Country-trade structure

35. Interregional trade in terms of country involvement by both volume and frequency of transactions between Africa and Latin America is rather limited. The existing structural disequilibrium is likely to provoke major quantitative disequilibria in the future if policies are not adopted by both regions to check this rather unfavourable situation.

36. Several factors have contributed to this. The most prominent of them include the existence of a minimal physical and institutional infrastructure; the existence of trade structures whose production and trading are less complementary and incapable of profiting from inter-communal trading potential; the legacy of historical connexions which make it very difficult to establish new and non-traditional trading arrangements; and the existence of inward looking political determinants which tend to limit ways of promoting economic development.

37. The structure of interregional country trade during the early period of the 1960s and for most of the 1970s is shown in tables 4 and 5. Twenty-eight out of 50 independent developing African countries or about 56 per cent of the African region are listed as exporting to Latin American between 1965 and 1979. Some four African countries, Nigeria, the Libyan Arab Jamahirya, Angola and Gabon, were the only ones exporting anything substantial to Latin America, the common export being petroleum, which assumed its important export role only after 1972 for the Libyan Arab Jamahirya and Nigeria and after 1973 for Algeria and Gabon.

38. On the other hand, non-oil-producing African countries, which make up over 85 per cent of the region, did not export significantly to Latin America in the period under review. Only to a very limited extent did the few mineral producing countries such as Guinea, Morocco, Tunisia, Zaire, Zambia and the Congo export to Latin America. A few other African countries have exported sizable quantities sporadically. For instance, the United Republic of Tanzania exported $US491 million in 1976 and yet there were almost no exports during both the previous and following

years. Similarly, the Ivory Coast exported about $US61 million in 1979, and yet its previous highest export value in 1977 was only about $US6 million. The same degree of irregularity by volume and periodicity coupled with a persistant decline was observed in case of exports by Zambia, Senegal, Kenya, Ghana and Ethiopia.

39. With regard to country export structure of the Latin American region, table 5 lists 22 countries, which include the Caribbean countries of Barbados, Guyana, Jamaica and Trinidad and Tobago. The region's main exporters to Africa during the period 1960 to 1979 were Brazil, Argentina, Venezuela and Trinidad and Tobago. Ranked by total value in descending order, Latin American exporters to Africa in 1960 were Venezuela, Brazil and Argentina. By 1965, Mexico had moved into first place followed by Venezuela, Brazil, Argentina and Guatemala. Nevertheless, Brazil has kept its export lead into Africa by a considerable margin over its closest rival, Argentina. Meanwhile, especially after 1975, countries such as Mexico, Uruguay, Peru, Colombia, the Dominican Republic and Jamaica had joined others in increasing their exports into the African region.

40. The pattern of trade economic relations between Africa and Latin America has tended to follow certain circuits in the recent past. Thus, the four main African exporters consisting of Nigeria, the Libyan Arab Jamahiriya, Angola and Gabon sell their oil to the Bahamas, the Virgin Islands, the Netherlands Antilles and Brazil. Secondly, Senegal, Mauritania and Morocco have sold their phosphates to Latin America. Thirdly, Brazil exports manufactured and capital goods to Nigeria, Algeria, the Libyan Arab Jamahiriya, Angola and Zaire. Fourthly, Argentina has acquired a major export stronghold in the markets of Algeria, Angola, Tunisia and Nigeria. Fifthly, there has been a concentration by Venezuela in trading with the Ivory Coast and Morocco. A sixth circuit is relatively recent and consists of trade visits in both directions. In point of fact, some newly industrializing Latin American countries like Brazil, Mexico, Argentina and Venezuela are already attempting to exploit to the full their newly acquired production and export capacities. Many of them are doing this in very close collaboration with certain developing African countries against the background of commodity cartels already established or envisaged within the context of the principles of economic co-operation among developing countries (ECDC).

41. A relatively new development in this field, especially during the major part of the 1970s, was the increased tempo in bilateral contacts taken at the initiative of certain private enterprises or at the level of the States in question. Other contacts were a direct result of multinational concerns that wished to capture the African markets from their advantageously placed Latin American bases. Some of these organized commercial and so-called goodwill missions are illustrative of this latest development in the field of ECDC. Thus, certain Brazilian companies have since successfully entered into joint ventures with Nigerian companies for purposes of arrangements which comprise packaging, assembling or manufacturing of light consumer products. Volkswagen has an assembly plant and servicing facilities in Lagos whilst Marco Polo is producing bodies for buses mounted on imported Mercedes Benz chasis and motors.

42. The following is an indicative list of some of the commercial or so-called goodwill missions recently organized on a basically bilateral level but with sufficient scope of multilateralism:

Year	Origin	Destination	Status/Leader of delegation
1972	Brazil	9 African countries	Foreign Minister Mario Gibson Barbosa
1976 (Sept.)	Brazil	Lagos (Nigeria) 10-day Brazilian Industrial Exposition	104 Brazilian exhibitors displayed wares from Brassiers to locomotives
1977	(a) Brazil	Participated in 1st Lagos International Trade Fair (Nigeria)	
	(b) Nigeria	Brazil	Commissioner for External Affairs - Brigadier Joseph Garba
1978	(a) Senegal	Venezuela	President Leopold Senghor
	(b) Africa	Sao Paulo Export Fair	Several African delegations participated in the Fair

Year	Origin	Destination	Status/Leader of delegation
1979	(a) Nigeria	Brazil	Vice President Brigadier Shehu Yar Adua
	(b) Chile	Several African countries	In search of export markets for Chilean products
1980	(a) Guinea	Brazil	President Sekou Toure
	(b) Guinea-Bissau	Brazil	President Luis Cabral
	(c) Argentina	Several African countries including Egypt	Argentine businessmen in search of export markets
	(d) African countries Mali, Guinea-Bissau, Nigeria, Senegal and Zambia	Several Latin American countries	To explore trade possibilities for both export and imports.

2. Commodity - trade structure

43. There is a glaring disparity between Africa and Latin America in their interregional trade at the commodity level, both country-wise and regionally. The bulk of Africa's exports, as pointed out earlier and also as given in table 2, consists essentially of oil (SITC 3). Those of the Latin American countries contain a very high proportion of non-primary commodities and highly processed agriculture products. In other words, trade is grossly unbalanced with Africa exporting very little in the way of manufactured goods to Latin America. On the other hand, the Latin American countries exported a much wider range of commodities as indicated in tables 3 and 6.

44. The newly industrializing Latin American countries such as Brazil, Argentina, Venezuela and Trinidad and Tobago export a variety of processed and manufactured products to Africa. In addition, some subsidiaries of certain multinationals or

transnational corporations in Brazil such as Swelen's Saab-Scania,have sold trucks to Angola and Mozambique, America's Tenneco Inc., through its subsidiary J.I. Case do Brazil, delivered excavation equipment worth about $US2.5 million to developing Africa in 1976, Volkswagen do Brazil's sold over $US35 million worth of its products to Nigeria and Ethiopia in 1976 and General Motors do Brazil in 1975 and 1976 sold over $US1.7 million worth of off-the-road equipment to Mauritania and Gabon respectively.

45. During this period also Argentina increased its sales to developing Africa of several processed agricultural and livestock products. Like Brazil, it was able to facilitate its export growth because the Government had (a) eliminated export duties, (b) undertaken the financing and pre-financing of exports, (c) allowed temporary imports of needed export inputs and (d) provided incentives for products manufactured for export. These measures were not specifically directed at the African market but they gave Argentina an edge in exporting to Africa as well. For instance, the temporary importation requirement established the free importation of products to be used in the manufacturing of export goods and was effectively utilized by several Argentinean industries before it was eventually modified in June 1980.

46. Argentine meat has been flown to Gabon on special Air Gabon cargo flights. In return Argentina has purchased oil, wood, manganise and cocoa from Gabon. In addition, Gabon and Argentina have entered into several trade agreements intended to enable Argentina increase its purchase of such Gabonese products as marble, tar, gas and iron ore. Argentina, like Brazil, has also begun to export substantial military ware, including military aircrafts, to several African countries.

47. The other major Latin American exporters to developing Africa during the period under review were Chile, Venezuela and Trindad and Tobago. Their commodity composition probably contained a high percentage of refined oil products.

48. This new development emanates in part from a sense of awareness among the relevant countries of the need to eliminate some of the impediments to their interregional trade. For instance, a number of these economic co-operation

activities either took as their point of departure already established institutional machineries or were merely intended to exploit newly discovered prospects. Most of them have benefited from the solidarity of the Group of 77 and memberships in certain commodity cartels. For example, the Organization of Petroleum Exporting Countries (OPEC) and the Council of Copper Exporting Countries (CIPEC) both have a fair number of African and Latin American oil and copper exporting members. An additional factor could have been the renewed attempts by the Latin American countries to strengthen and co-ordinate with their African counterparts the pricing of such commodities as coffee and cocoa.

49. The case of Nigeria-Brazil relationship offers a concrete example of some of the probable prospects for and the impact of expanding trade on the basis of the economies of the two countries as a deliberate policy directed at the conquest of each other's non-traditional markets.

50. African exports to Latin America need to be diversified by country and by product composition. Consequently, due consideration should be given to countries which produce goods which complement Latin America's internal supply, such as intermediate manufactured goods and specific African fruits and vegetables which become available during the Latin American winter, etc. Some of the steps briefly analysed above should be intensified in order to develop the export capacity of Africa in manufactured goods, without which balanced trade between the two regions is inconceivable.

IV. STRATEGIES AND MECHANISMS OF TRADE EXPANSION

51. The question of appropriate strategies and mechanisms for expanding trade between the two regions must take as a point of departure some of the inhibiting elements referred to above. It must also take account of some of the inroads already made. In this connexion, it is important to reiterate under certain significant economic differences between the two regions, which must be viewed in the light of the so-called concept of "gains from trade". The idea of gains

and losses which are likely to arise from trade expansion is quite old and quite well established in economic theory. In its simplified form, trade is supposed to bestow several mutual benefits on its participants by allowing for optimisation of the inherent country or regional potentials and comparative advantages towards profitable production. Similarly, foreign demand is supposed to benefit and create large-scale advantages which in themselves decrease costs of production while expanding the gross domestic product, the gross national income and ultimately over-all welfare.

52. However, some of the measures to be briefly analysed in terms of transport and communications infrastructure, institutional arrangements, trade policies, financial arrangements and training can be implemented only in the long term, this does not negate the need to initiate steps in these areas at an early stage in both the immediate and the medium term.

The over-all structure

53. Up to this point, the analysis reinforces the idea of trade creation rather than trade diversion. It is shown that both regions have much to gain from increased trade exchanges. The developing Latin American countries, however, have the latent capacity to benefit more than their African counterparts, of their relatively more advanced economic infrastructure. Consequently, one of the objectives of co-operation should be to assist the less developed African countries to develop the necessary production and marketing patterns within a foreseeable period.

54. Attention has also to be drawn to certain institutional differences between African and Latin American economies, for instance, the role played by the State and the private sector in the respective regions in promoting trade. It is evident that the official institutions are less powerful than the private sector. The private sector, for the purposes of this analysis, includes associations of businessmen and industrialists as well as individuals or their respective

enterprises. Over the years, many Latin American businesses have acquired an aggressive marketing ability which most African businessmen would find hard to match, especially for products produced by both regions.

55. Needless to say, there is a need for establishing certain focal points for trade promotion. These focal points should be based on, or determined by the products identified for trade. Similarly, some of the contacts established at country level between the two regions, through such common associations as CIPEC or through diplomatic and trade missions could provide a channel for exploiting further the advantages that exist in the respective regions. It is however important that trade between the two regions should not be confined to traditional products, but this is a subject which may require separate studies.

Infrastructure

56. One of the major stumbling blocks to promotion and expansion of interregional trade is the lack of well developed transport and communications systems as has been pointed out in respect of shipping and air services between the two regions. Such systems tend to be confined to a few major trading partners; in other words, Brazil and Argentina with Nigeria. They are also characteristically undirectional i.e. from Latin America to Africa. This pattern also contributes to the excessive transport costs because there appears to be no return African cargo from Africa to Latin America. An additional adverse element in this field is the inadequacy of port facilities, the high cost of port operations and the control of the application of freight booking laws. There is therefore a need for ensuring an internationally competitive shipping business in each country. The same is true of air transport and communications.

57. It therefore seems that a vicious circle exists in that shipping and air communication services cannot expand well because the flow of trade is small. The example cited of air freighting Argenine meat to Gabon by special air cargo services is of a much limited nature and so are the activities of the Brazilian shipping lines to Nigeria and other West African coastal countries.

53. It is necessary, under the circumstances, that measures should be designed for trade expansion which embrace joint ventures, bilateral and multilateral trade agreements also the establishment of supportive institutional arrangements. In particular, provision should be made to establish joint transport systems using national carriers from both continents for trade. However, provision should also be made to enable many of the African land-locked countries to own reasonable equity shareholding in a number of these shipping lines especially the ones likely to carry their cargo in either direction. By the same token, it might be somewhat premature to consider at this rather early stage the aggregation of marine cargoes.

59. There is a lot that needs to be done in the area of developing telecommunications services. Most countries of the two regions still rely heavily on the use of major European and North American channels for communication. What is required in the early stages therefore is for the countries to set up focal points in the two regions to start a direct flow of communications.

Institutional arrangements

60. There are several common institutional aspects required to support the promotion of interregional trade. They include establishing trade information exchange machineries, drawing up and monitoring the implementation of industrial complementarity agreements and initiating industrial co-operation which includes technology transfer, joint ventures and capital goods industries.

61. The present limited flow of trade information in terms of both existing and potential export and import capacity of the countries of each region should be reinforced through increased national publications. These could be made available through existing Chambers of Commerce and economic groupings. Within the African region, such channels ought to include the five Multinational Programming and Operational Centres (MULPOCs), the Association of African Trade Promotion Organizations (AATPO) and the Africa Trade Centre (ATC) within the United Nations Economic Commission for Africa (ECA). As a complementary step, trade and goodwill missions

by African and Latin American businessmen aimed at gathering data on products, quality and standardization and consumer taste should be continued and greater use made of commercial attaches in the embassies of the respective countries.

62. Possibilities of drawing up complementarity industrial agreements should be explored vigorously both bilaterally and multilaterally between pairs of countries, which should aim at establishing medium-term supply arrangements as part and parcel of joint ventures. With some of the Latin American countries having reached a fairly advanced stage of industrial development, there should be wide scope for complementarity with African countries. Similarly, trade between the two regions should of necessity be based on industrial co-operation through joint ventures and the transfer of technology so as to enable some of the African countries to expand their industrial base.

63. While the Latin American countries are currently in a position to export capital goods to Africa, it may not be possible for the African countries to continue the flow of imports if the trade is not accompanied by the transfer of technology, to enable the importing African countries to maintain their capital goods through local manufacture of certain components. Hence, mention should be made of the merits of technical assistance ventures such as the one offered by Brazil in assisting Nigeria's livestock sector to evaluate its breeding methods and meat freezing and packing facilities.

64. Otherwise the flow of trade cannot be sustained or expanded if one of the two regions is basically to remain an exporter of primary raw materials consisting only of agricultural and mineral products.

Trade policy

65. Many of the strategies and mechanisms considered above derive in part from trade policies which the respective countries choose. For example, the Brazilian administration under Jan Quadros in 1962 initiated its Brazilian-African policy. This policy can be said to have reached its height in terms of Brazil's exports

to Africa with the mounting of a 10-day industrial exposition in Lagos in September 1976. Thereafter, Brazil has mounted similar trade and industrial fairs in Mozambique, Angola and Zaire apart from participating at several other African trade fairs.

66. Argentine's activities in this field may not have been specifically designed with the African markets in mind. However, Argentina has not lost the opportunity of dealing with a number of African countries. Hence, significance should be attached to the inaugural speech of the Argentine Minister of Economy, Jose Martinez de Hoz, on 2 April 1976 in which he emphasised his country's determination to promote its exportable products and the diversification of trade by opening up new markets as a basic priority of the foreign trade Action Plan.

67. Sometimes Africans have sold products to Latin America which are already produced within Latin America. Many reasons could be advanced to explain this phenomenon, among them being the result of certain trade agreements concluded with a view to encouraging bilateral trade. In particular, exports of Latin American manufactures are bartered against African raw material exports as a result of better price offers or suitability to African conditions in case of certain Latin American manufactures. Alternatively, the purchases of certain African products are made as a part of a larger future marketing strategy by the Latin Americans.

68. Trade policies and tariff barriers imposed by individual countries are rather restrictive to trade expansion within the context of ECDC. Many of these restrictions are a result of each country's desire to protect infant industries or preserve the market for traditional suppliers. It therefore goes without saying that proposals for trade expansion will need to consider reciprocal lowering of tariffs and changes in trade policies to favour trade among developing regions, whereby it should be possible to negotiate preferential trading agreements between pairs of countries. A beginning could be made with an attempt to lower certain tariff barriers for most-favoured-nation purposes. It is also possible to explore the possibility of

putting to use certain provisions of the Lome Convention by some of its signatories. Similarly, pairs of countries could establish medium-and long-term supply arrangements linked to some of the joint industrial ventures referred to above.

69. In the same vein also, it should be possible to make greater use of contacts between State trading organizations of the two regions which have already exhibited a strong possibility for trade expansion. These institutions not only are designed for government procurement but also perform an important distribution function at the national level. It should therefore be possible through them to set up medium- and long-term purchase agreements.

Financial and monetary arrangements

70. There is very little in the way of multilateral credit and/or clearing arrangements among developing countries at the interregional level as opposed to the subregional level where there is some use made of national currencies. Otherwise most interregional trade is carried out on the basis of payments in the world's main currencies. Specific currency zones in the two continents consist of the United States dollar in case of the Latin American region and the pound sterling, the French franc and the Portuguese escuodo in Africa.

71. The formation of multilateral clearing arrangements cutting across the Atlantic Ocean would be conducive to simplifying and facilitating foreign trade transactions. In the main, they should make it possible to (a) increase the utilization of member currencies; (b) optimize and economize the foreign exchange reserves of each member State; (c) foster a more economical use of central bank resources; (d) provide short-term credit in reasonable amounts for immediate clearing purposes; and (e) enhance co-operation and consultations among members' common monetary and commercial issues.

72. To make a beginning in this field, advantage ought to be taken of certain existing subregional arrangements. For instance, the West African Clearing House (WACH) could be linked with the Central American Clearing House (CACH) or their respective members either bilaterally or multilaterally. In other words, the arrangements could begin on a bilateral basis between these two institutions or between any pair of countries of the two regions which are members of either institution.

Development of human resources

73. The cornestone of economic co-operation among developing countries is the recognition of both their disparities and the complementarity of mutual assistance in the context of collective self-reliance. It ought therefore to be recognized that African involvement in any activities of economic co-operation with other developing regions is a basic component of efforts to establish the New International Economic Order. However, study after study so far undertaken by ECA has revealed that it is developing Africa which requires greater assistance in order to participate effectively in all aspects of economic co-operation with other developing countries.

74. Africa's inability effectively to participate or to exploit fully its regional potential is not so much a lack of a will to do so but the constraint imposed by the lack of or inadequacy of trained personnel. The central theme enunciated in the Arusha Programme stresses self-reliance in development and presupposes the existence of fully trained indigenous technical and managerial skills. This is perhaps one area where Latin America could make a significant contribution to assisting the African region to optimize its trade potential to the mutual advantage of both regions.

75. Looked at from this angle, therefore, it is necessary that manpower training should be integrated in a number of the trade aspects analysed above. Technical assistance to developing African countries by the developing Latin American countries which are relatively more technologically advanced than their African counterparts, especially in respect of joint industrial co-operation ventures, would accelerate progress towards self-reliance in the spirit of mutual endeavour and equal partnership.

Table 1 World trade of selected regions by groupings and destination

Millions of United States Dollars (f.o.b.)

Export-origin	Year	Destination				
		World	Developed market economies	Developing market economies	Developing Africa	Developing Latin America
World	1970	312,260	2,200,950	58,050	11,880	18,420
	1972	415,280	296,250	75,100	14,740	23,680
	1974	835,490	587,330	171,950	31,580	55,700
	1976	989,432	666,452	219,778	42,634	62,478
	1977	1,122,901	749,523	259,049	52,497	70,289
	1978	1,297,274	863,540	303,470	57,507	76,599
	1979	1,631,250	1,116,398	362,806	62,795	97,039
Developed market economies	1970	224,180	172,460	41,910	9,130	15,930
	1972	297,670	230,570	53,470	11,700	17,210
	1974	542,230	398,460	118,730	24,470	35,280
	1976	642,101	458,025	147,201	34,179	36,931
	1977	727,709	516,091	172,953	42,325	41,508
	1978	871,987	617,667	207,219	46,215	48,570
	1979	1,079,041	785,114	236,110	49,088	59,952
Developing market economies	1970	55,170	40,740	10,950	1,570	3,480
	1972	74,990	55,960	15,520	1,710	5,300
	1974	222,130	166,310	46,600	4,740	18,460
	1976	255,282	181,755	58,400	5,985	22,565
	1977	288,447	203,734	68,676	7,073	25,284
	1978	300,802	212,501	75,342	7,448	23,833
	1979	405,521	286,934	99,248	8,678	32,591
Developing Africa	1970	12,310	10,100	1,240	650	255
	1972	14,680	11,720	1,710	710	510
	1974	38,390	31,820	4,640	1,470	2,300
	1976	41,356	33,482	5,561	1,712	2,900
	1977	47,762	39,045	6,590	2,046	3,565
	1978	44,057	36,182	5,932	1,857	3,099
	1979	63,178	53,415	7,866	2,365	4,212
Developing Latin America	1970	17,090	12,680	3,230	115	2,860
	1972	20,630	15,170	4,280	150	3,830
	1974	48,680	34,140	11,160	780	9,540
	1976	53,674	36,650	12,287	1,013	10,393
	1977	60,902	40,141	15,122	1,396	12,255
	1978	64,856	42,805	15,765	1,419	12,589
	1979	83,168	55,862	20,746	1,595	16,884

Source: United Nations Monthly Bulletin of Statistics, Vol. XXXII, No.6, June 1978 and vol. XXXIV, No.7, July 1980.

Table 2: Africa's Trade with Latin America: by SITC Section

(Exports)

Millions of United States dollars (f.o.b.)

DEVELOPING AFRICA EXPORTS TO	1970		1971		1972		1973		1974		1975		1976		1977		1978		1979	
	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%
(a) World (SITC 0-9)	12,310	100.0	13,680	100.0	14,680	100.0	20,630	100.0	38,390	100.0	33,936	100.0	41,839	100.0	47,762	100.0	44,057	100.0	63,178	100.0
(b) Developing regions (SITC 0-9) % (b) of (a)	1,240	10.1	1,540	11.1	1,710	11.6	2,330	11.2	4,640	12.1	4,846	14.3	5,581	13.4	6,509	13.6	5,932	13.5	7,866	12.4
(c) Latin America (SITC 0-9) of which: % (c) of (b)	235	18.9	420	27.3	510	29.8	770	33.0	2,300	49.6	2,238	46.0	2,900	52.2	3,563	54.8	3,099	52.2	4,213	53.6
1. Food, beverages and tobacco (SITC 0 + 1)	10	0.8	8	0.6	2	0.1	21	0.9	12	0.3	34	0.7	21	0.4	14	0.2	17	0.3	-	-
2. Crude materials excluding fuels; and oils and fats (SITC 2 + 4)	10	0.8	9	0.6	23	1.3	14	0.9	99	2.1	61	1.3	73	1.3	77	1.3	67	1.1	-	-
3. Mineral fuels and related materials (SITC 3)	200	16.1	365	23.7	444	26.0	644	27.5	1,719	37.0	2,086	43.0	2,745	49.4	3,428	51.8	2,973	50.1	-	-
4. Chemicals (SITC 5)	1	-	3	-	10	0.6	11	0.5	27	0.6	9	0.1	13	0.3	12	0.2	15	0.3	-	-
5. Machinery and transport equipment (SITC 7)	1	-	3	-	5	0.3	4	0.2	1	0.2	-	-	-	-	-	-	-	-	-	-
6. Other manufactured goods (SITC 6 + 8)	14	1.1	32	2.1	55	3.2	123	5.3	64	1.4	47	1.0	52	0.9	31	0.5	27	-	-	-

Note: Excluding exports of Southern Rhodesia.

Source: United Nations Monthly Bulletin of Statistics, vol. XXXII, No.6, June 1978 and [illegible] No.7, July 1979.

Developing Africa Imports from	1970		1971		1972		1973		1974		1975		1976		1977		1978		1979	
	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%	VALUE	%
(a) World (SITC 0-9)	11,665	100.0	13,366	100.0	14,740	100.0	20,200	100.0	31,580	100.0	37,650	100.0	42,832	100.0	52,697	100.0	57,507	100.0	62,793	100.0
(b) Developing regions (SITC 0-9) % (b) of (a)	1,570	13.5	1,680	12.6	1,750	11.9	2,150	10.6	4,750	15.0	6,300	16.8	7,000	16.3	7,371	13.9	7,448	13.0	8,668	13.9
(c) Latin America (SITC 0-9) % (c) of (a)	110	7.0	115	7.2	130	7.4	320	14.9	780	16.5	1,012	16.9	1,011	14.8	1,390	19.7	1,419	19.1	1,593	18.4
of which:																				
1. Food, beverages and tobacco (SITC 0 + 1)	56	3.6	75	4.7	91	5.3	241	8.9	554	11.7	548	8.1	550	8.0	611	9.7	596	9.4	–	–
2. Crude materials excluding fuels and oils and fats (SITC 2 + 4)	5	0.3	4	–	21	1.0	77	0.7	72	1.5	73	1.2	61	1.0	87	0.9	88	1.2	–	–
3. Mineral fuels and related materials (SITC 3)	28	1.7	31	1.7	42	1.9	43	1.0	91	2.0	206	3.3	241	4.0	133	0.1	494	6.6	–	–
4. Chemicals (SITC 5)	3		3		3		9	–	19	0.4	5	0.1	3	0.1	19	0.3	11	0.2	–	–
5. Machinery and transport equipment (SITC 7)	14		7	–	3		38	1.1	51	0.9	99	1.6	119	1.9	105	2.1	207	3.0	–	–
6. Other manufactured goods (SITC 6 + 8)	15	1.1	5	–	5		15	0.6	28	0.6	90	0.5	53	0.8	70	1.0	115	1.6	–	–

Note: Excluding the imports of Southern Rhodesia.

Source: United Nations, Monthly Bulletin of Statistics, Vol. XXXII, No. 6, June 1978 and Vol. XXXIV, No. 7, July 1980.

Table 4: Exports of selected African countries to Latin America[1/]
(Millons of dollars f.o.b. at current prices)

	1965	1970	1973	1974	1975	1976	1977	1978	1979
Algeria	1	30	11	170	97	89	27	88	74
Angola		2	7		33	123	507	820	880
Cameroon				1					1
Central African Rep.									
Chad									
Congo			1	4	11	2	15	7	80
Ethiopia			1	1	1				
Gabon		19	5	129	54	141	346	457	599
Ghana		1	5	3	8	6	4	5	3
Guinea				4	7	8	14	14	13
Ivory Coast			1	2	3	4	6	3	61
Kenya			6	1	8	9	1	1	1
Liberia		1	1	2	2	1	4	5	11
Libyan Arab Jamahirya		36	229	767	621	270	379	777	1 290
Madagascar							7		1
Mali									
Morocco	1	2	14	75	35	56	56	51	45
Mozambique			1		8	3			
Nigeria	13	78	381	1 106	1 100	2 436	2 546	1 399	1 545
Senegal				3		1			
Somalia									
Sudan					1				
Togo									1
Tunisia	3	2	6	65	3		16	59	31
United Republic of Tanzania				1		491			
Upper Volta									
Zaire				4	43	41	72	26	58
Zambia		10	58	56	18				3
TOTAL AFRICA	18	181	728	2 394	2 053	3 681	4 000	3 712	4 697

Source: IMF, Direction of Trade Statistics, several years.

1/ Latin America includes the entire Caribbean region.

Table 5 : Exports of Latin American countries to Developing Africa 1/

(Millions of U.S. dollars f.o.b., at current prices)

	1960	1965	1970	1973	1974	1975	1976	1977	1978	1979
Argentina	4	10	15	77	234	161	12	211	131	189
Bolivia	-	-	-	-	-	-	-	-	-	-
Brazil	5	13	42	152	702	363	750	538	598	652
Colombia	-	-	-	2	5	3	5	3	5	12
Chile	3	-	-	6	46	13	2	2	-	-
Ecuador	-	-	1	1	-	2	2	1	2	-
México	1	34	1	2	7	-	5	2	21	8
Paraguay	-	-	-	1	2	1	1	2	-	-
Perú	-	-	5	7	6	4	3	17	4	15
Uruguay	-	-	-	-	-	2	10	9	6	5
Venezuela	9	6	14	-	1	2	4	37	3	15
Total CAFTA	21	63	78	254	324	591	794	822	773	897
Costa Rica				2	2	1	1	1		
El Salvador				2	5	3	3	-	-	-
Guatemala		2		1	2	4	3	1	-	-
Honduras								-	1	1
Nicaragua					2	4	3	4	-	
Total CACM	2	2	3	6	11	12	10	6	1	1
Panamá					1	1	1	-	-	-
Dominican Republic	1	-	-	3	10	22	15	21	3	9
Total 18 countries										
Barbados					1			-	-	-
Guyana					25	11	31	-	-	-
Jamaica			1	3	12	16	-	10	14	21
Trinidad and Tobago	2	3	2	-	8	13	34	17	7	14
Total Caribbean	3	3	3	3	46	40	65	27	21	35
Total 23 countries	27	68	84	263	382	643	869	855	795	933

Source: IMF, Direction of Trade Statistics, several years.

1/ Excluding South Africa.

Table 6. Selected list of developing African exports to selected Latin American countries

In thousands of United States dollars

Commodities	Argentina[1]			Brazil[2]				Chile[3]			Mexico[4]			Venezuela[5]			
	1976	1977	1978	1970	1973	1975	1977	1970	1973	1975	1970	1972	1974	1970	1972	1974	1976
Total trade (world)	1 458 566	1 900 262	1 453 753	1 029 114	4 459 373	2 864 660	5 770 011	14 202 558	13 256 355	930 085	965 175	1 310 111	2 166 727	2 915 000	6 057 357	6 032 724	5 610 119	2 139 285	1 739 330	6 019 100	23 854
Total developing Africa	3 073	11 405	400 239	102 762	43 550	91 335	803 656	999 564	177 577	2 131	10	9 758	231	3 023	29 652	22 284	1 959	1 286	9 991	23 854	
of which:																					
1. Food and live animals	29	830		–	–	–	151	1 452	12 766	–	–	–	–	–	–	13 529	922	289	7 809	198	
(a) Meat and preparations (01)				–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
(b) Fish and preparations (03)				–	–	–	–	–	126	–	–	–	–	–	–	–	227	–	537	–	
(c) Fruit and vegetables (05)				–	–	–	109	1 157	12 640	–	–	–	–	–	–	–	–	–	168	–	
(d) Coffee (071)				–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
(e) Cocoa (072)				–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
2. Beverages and tobacco (1)				–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
(a) Alcoholic beverages (112)				1 987	2 407	1 079	1 536	18 522	46 660	–	–	–	–	3 023	15 677	1 632	1 259	2 824	1 761	12 660	
(b) Tobacco unmanufactured (121)				–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	12	–	
3. Crude materials excluding fuels (2)	3 044	10 575	399	1 436	360	45 720	47 192	–	–	–	–	–	–	–	23 975	1 728	–	–	–	–	
(a) Oil seeds (221.8)				98 170	14 193	75 758	91 611	501 773	103 924	1 149	–	–	–	–	1 923	1 149	–	–	–	–	
(b) Phosphatic fertilizers (1471)				98 170	14 193	75 758	91 611	498 626	97 317	1 149	–	–	–	–	1 923	–	–	–	–	–	
4. Mineral fuels and related materials (3)	333	1	399	1	–	1	234	270	–	–	–	–	–	–	–	–	–	–	913	–	
(a) Crude petroleum (331)	333	1	399	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	9 798	
5. Animal and vegetable oils and fats (4)				–	–	34	1 377	11 611	47 167	–	–	–	–	–	–	49	1	–	–	638	
				1 461	74	11 311	39 395	141 113	6 830	–	–	–	–	–	1	750	–	1	–	–	
6. Chemicals (5)	91	91	91	–	–	70	–	80	–	–	–	–	–	–	751	–	–	–	–	–	
7. Manufactured goods (6)	1 411	9 779		1 461	74	11 053	39 790	111 190	6 344	–	–	–	–	–	–	–	–	–	–	–	
(a) Iron and steel (672)	141			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
(b) Non-ferrous metals	1 137																				
8. Miscellaneous manufactured articles																					

Notes: 1/ Argentina: Special imports (c.i.f.), by country of origin.
2/ Brazil: Special imports (c.i.f.), by country of purchase.
3/ Chile: Special imports (c.i.f.), by country of area of purchase.
4/ Mexico: General imports (c.i.f.), by country of last consignment.
5/ Venezuela: General imports (f.o.b.), by country of area of last